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AUTHOR	Rowe, Richard R.
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ABSTRACT

This paper discusses some alternatives to the Federal Interagency Day Care Requirements (FIDCR) including the feasibility of developing state standards for certification of federally-supported day care. Section I describes briefly the background and political context of current federal policies concerning day care regulation. Section II discusses some major policy issues related to day care regulation: federal policy toward day care, the roles of standards, the legal status of federal regulations, and state roles in day care regulation. Section III describes some of the possible mechanisms which could be used in a system of state certification of federally-supported day care. Explored are procedures to be used, possible federal guidelines useful for states in establishing their own standards, and possible ways of implementing and monitoring such a system. Section IV describes rough cost estimates of such a state certification system and Section V presents a summary of the conclusions. (Author/CM)

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ALTERNATIVES TO FIDCR:

THE FEASIBILITY OF

STATE STANDARDS FOR CERTIFICATION OF

FEDERALLY-SUPPORTED DAY CARE

Richard R. Rowe, Ph.D.

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American Institutes for Research
22 Hilliard Street
Cambridge, Massachusetts 02138

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INTRODUCTION

This paper discusses some alternatives to the Federal Interagency Day Care Requirements (FIDCR) including the feasibility of developing state standards for certification of federally-supported day care.

Section I describes briefly the background and political context of current federal policies concerning day care regulation.

Section II discusses some major policy issues related to day care regulation: federal policy toward day care, the roles of standards, the legal status of federal regulations, and state roles in day care regulation.

Section III describes some of the possible mechanisms which could be used in a system of state certification of federally-supported day care. It explores procedures which could be used, possible content of federal guidelines which could be used by the states in establishing their own standards, and possible ways of implementing and monitoring such a system.

Section IV describes rough cost estimates of such a state certification system and Section V presents a summary of the conclusions.

This paper examines some of the implications of such a policy and explores the manner in which such a system could function should it become federal policy to move in that direction.

I. BACKGROUND

In September of 1968, in response to a Congressional mandate to establish standards for day care, the FIDCR were approved by HEW, OEO, and the Department of Labor as a common set of standards to be used in regulating day care programs supported by them. The purpose of those standards was at least to ensure a minimum of quality in federally-funded day care. Some have argued that the standards were designed to ensure that federal funds would be used only for high quality day care.

Nearly a decade later, the FIDCR are still not uniformly implemented and their future is uncertain. Reaction to the FIDCR has been mixed. Some child development specialists and children's advocates are enthusiastic. Some providers of day care are critical and complain that the cost implications of the FIDCR would put them out of business. The Congress, lacking any implicit day care policy of its own, has not provided the funding necessary to support existing day care at the level of the FIDCR standards. Very few states have approached adequate implementation of their own licensing standards; they were hardly in a position to require FIDCR. At the same time there has been pressure to use additional federal funds which were made avialable to expand the number of children being served rather than to meed the FIDCR standards for those currently being served.

The federal government has never seriously attempted to implement the FIDCR standards. Despite the fact that the FIDCR were explicitly promulgated as requirements to be strictly enforced, they have, at best, functioned as goals to be achieved at some future time.

In November of 1975, HEW estimated that it would require well over $100 million per year to meet the FIDCR staff/child ratios for

only those children then in federally-funded day care. Discussions with various state and federal officials suggest that lack of compliance with FIDCR is even greater than is officially acknowledged. Some feel the cost of compliance with staff/child ratios alone may be more than double the HEW estimate.

In 1975, the FIDCR, with some modifications, became a part of the Title XX legislation. After one official delay in their implementation, these standards became law in February 1976.

However, no attempt was made to enforce the FIDCR standards. Title XX law required day care standards which could only be enforced with a substantial increase in federal support. Throughout the spring and summer of 1976, the Congress and the Ford Administration worked for a legislative solution.

In September 1976, President Ford signed into law PL 94-401 which deferred the FIDCR staffing requirements until 1 October 1977 and provided an additional $200 million, in FY77 Title XX funds, specifically earmarked for day care. However, the Congress failed to pass a "maintenance of effort" amendment, which would have required these funds to be added to the funds already allocated for day care with existing Title XX funds. This meant that the "new" day care funds could be used to free up, for other purposes, Title XX funds which had been previously allocated for day care. The overall impact of PL 94-401 upon quantity and quality of day care, therefore, may be insignificant. In any case it seems likely that, at most, the PL 94-401 funds have been used to increase the total quantity of day care rather than to meet the FIDCR standards.

Thus there has been no resolution concerning federal day care standards. The problem has been deferred for the new Administration and the new Congress to solve.

There are several options concerning federal regulation of day care facing the Carter Administration and the 95th Congress.

- If the FIDCR staffing standards are retained and enforced, additional federal funds will be required to prevent widespread closing of day care centers throughout the country. These funds would have to be earmarked specifically for day care and have some maintenance-of-effort provision in order for them to be available for attaining the minimum staff/child ratios.

- If the FIDCR are revised, three major options merit consideration:

  (1) Reduce the minimum staff/child ratios required by FIDCR;

  (2) Develop a set of guidelines to be used by states in the development of their own certification standards;

  (3) Require only that state licensing standards apply to programs receiving federal funds.

Each of the above options, including the implementation of the current FIDCR, would require technical assistance and financial support to state governments in order for the development and enforcement of standards to be carried out adequately.

This paper explores the second of these three alternatives to FIDCR.

II. MAJOR POLICY ISSUES

Before considering specific mechanisms which might be used as an alternative to the FIDCR, we will address some related policy issues.

A. Criteria for Evaluating Options

What criteria should be used to assess the strengths and weaknesses of one system of federal standards compared with another? Some of the factors which seem relevant to the evaluation of standards are listed in this section.

1. Consumer considerations

- Responsiveness to individual parent needs and priorities;
- Responsiveness to needs of individual children served;
- Effect upon the market—i.e., supply and demand for day care;
- Support from the general public;
- Responsiveness to local conditions;
- Responsiveness to changing conditions over time.

2. Administrative considerations

- Simplicity;
- Support by state and federal administrators;
- Accountability;
- Resistance to corruption;
- Probability of enforcement;
- Credibility of sanctions;
- Ability to penalize with target efficiency.

3. Financial considerations

- Unit cost of care;
- Total federal cost;
- Cost/effectiveness of services.

4. Legislative and legal considerations

- Consistency with legislative intent;
- Assurance of open and due process;
- Protection of minorities;
- Consistency with federal and state constitutional roles.

These criteria should be kept in mind in evaluating the various policy options for federal day care regulation. In some models they may be in conflict with each other. They will be given different weights depending upon one's perspective and values.

B. Federal Goals

Today the central federal issue concerning day care is what combination of quality and quantity of day care is the federal government prepared to support in response to the needs of the children of poor and near-poor families. This issue is directly related to reforms in welfare and employment proposed by the Carter Administration.

Congress seems to be more concerned than ever with the importance of the early childhood years and therefore with the importance of quality day care. Congress also seems ready to make a limited increase in its support for quality day care even though the annual cost of providing fully comprehensive day care support for all poor and near-poor children would be several billion dollars.

One alternative to a fully-funded comprehensive day care effort is to provide the additional funds necessary to implement FIDCR only for those children now in federally-supported day care. In 1977 this would probably cost well over $250 million annually, and the number of children in federally-supported day care would not be increased. Continued inflation and high unemployment would greatly increase that figure.

Another alternative would be to combine federal funding with a change in federal standards, so that increased funds could serve more children. This would require a revision of some kind in the FIDCR, particularly in the minimum staff/child ratios.

Many child welfare advocates are concerned that any change in

the FIDCR, particularly one involving a decentralization of such standards, would significantly lower the quality of federally-supported day care, putting day care funded through Title XX in serious jeopardy and removing an important quality standard for all day care.

It is important, however, not to expect too much of the FIDCR or any such standard. Even meeting the FIDCR would not guarantee the fulfillment of the basic day care needs of poor children. Although FIDCR are expensive, largely because of the minimum staff/child ratios, their relation to quality is not clear. FIDCR do not deal with such matters as the quality of the director, staff morale and turnover, and the nature of parent involvement, all of which appear to be highly related to quality of day care.

Furthermore, at current levels of federal funding, the FIDCR apply to a small percentage of the total supply of day care that is provided in centers and homes throughout the country. Thorough implementation of FIDCR could have the effect of separating poor, federally-supported children from other children, since most of the families of the latter group could not pay the full fee for programs that meet FIDCR standards.

Finally, it seems likely that day care services by themselves do not have as great an impact upon the quality of a poor child's life as would a guaranteed basic income for the child's family and steady parental employment.

Policy concerning standards must also take into account available funding. If the FIDCR were enforced, an increase in federal day care funds would be necessary, assuming the Congress, the President and the general public would not permit a substantive reduction in the number of children currently receiving federally-supported day care services. On the other hand, changing the current federal standard,

which would reduce the cost per child, could also reduce pressure on the federal government for increased day care funds.

In sum, federal goals for day care are unclear. The complex issues involved interact with other federal policies and will not be easily resolved.

C. The Functions of Standards

There are at least four different kinds of standards which are applicable to the care of children. Since they each fulfill quite different functions, it is important to distinguish clearly among them in the process of developing day care standards.

(1) Abuse Standard

All states have a standard written into their laws which defines, in some manner, those behaviors toward children which are prohibited. This "abuse" standard, which often includes "neglect," applies to parents as well as everyone else; it applies to behavior inside the child's home as well as outside.

(2) Licensing Standard

The licensing standard applies to the operation of a business, whether for profit or not for profit. Licensing standards define the minimum conditions under which a service can be offered to the public for compensation.

(3) Purchasing Standard

A purchasing, or funding, standard is applied as a condition of purchasing or funding a service such as day care. There is no reason why the purchasing standard used by a state or by the federal government should be the same as the licensing standard, although these two standards are sometimes confused. The FIDCR are an example of a purchasing standard.

(4) Model Standard

Government and private organizations may establish model standards which represent an optimal quality of service. These standards can function not only as an ideal goal but can be formally applied to programs which meet these standards as a way of recognizing and certifying excellence. Professional organizations often apply such a model standard to their members.

Each of these standards reflects the values and priorities of the society in which they function. They are relative matters which change over time. Both knowledge and values in a society continue to change, as do the economic and social circumstances which shape public priorities. As the public sense of children's rights has evolved, our concept of abuse and neglect has changed considerably. The same applies to licensing, purchasing and model standards. But it should not be assumed that such standards will steadily rise. In difficult economic and social times goals which earlier seemed quite reasonable can become unreachable. Without genuine public support, public goals cannot be achieved.

Federal day care standards should reflect the intent of Congress. But the standards should not carry the whole burden of ensuring those goals. As a general rule, purchasing standards such as the FIDCR are not effective incentives. Standards are necessary to establish some kind of floor, a level of quality below which funds will not be available. It is crucial, however, to include in the overall plan incentives which motivate people to go beyond the bare minimum necessary to "pass."

Too great an emphasis on purchasing standards can have a depressing effect upon the development of quality day care. If funding standards are established and enforced in such a manner that a large percentage of the administrative and creative energies of the government goes into trying to ensure that individual programs meet the minumum standards, the positive program objectives can be lost.

Since one of the objectives of standards is to improve the quality of day care, substantial federal effort should go into the development of incentives for improving the quality of day care and into experimenting with different ways to meet the needs of young

children and their families. Such effort could include technical assistance and financial support to states for the development and implementation of improved abuse and licensing standards for all child services.

D. The Legal Status of Federal Regulations

The legal status of FIDCR has been dealt with extensively elsewhere.[1] It is sufficient in this context to summarize some conclusions.

The federal government can quite appropriately establish reasonable standards for federally-supported day care services, providing such standards are constitutional.

Even though the federal government does not normally pay the full cost of day care,[2] the federal proportion of support for day care is sufficiently large to justify enforcement of federal standards. At the same time, the federal government cannot be forced to pay the entire cost of day care simply because it establishes minimum standards for such services.

It is, however, unconstitutional to impose federal standards on day care programs which are not federally funded. The only possible exception to this might be day care which is provided by interstate child care corporations; in such cases interstate commerce laws might be invoked as the basis for federal regulation.

It is also unconstitutional to impose federal standards on the licensing regulations of the state. Licensing is a police function which is the exclusive province of the states.

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[1] Gwen Morgan, "Legal Aspects of Federal Day Care Standards." HEW-ASPE Working Paper, 1976.

[2] PL 94-401 provides for 100% funding, in contrast to other Title XX funds which require 25% state matching funds.

Federal day care regulation must focus on day care which is substantially supported by federal funds. It cannot, and should not, be expected to exert direct control over that large majority of day care which involves no federal funds.

E. State Roles in Day Care Regulation

Historically states have been the primary governmental body responsible for establishing standards for and meeting the human services needs of their citizens. The states are responsible for regulating day care services through the licensing process. Every state now licenses day care services, although some states do not regulate such services as family day care, and in many states there is a minimal amount of monitoring of the licensing standard.

States are also responsible for implementing the federal purchasing standard, FIDCR. They differ considerably in the degree to which FIDCR are enforced and, so far, the federal government has not attempted to require compliance.

There seems to be genuine public concern over the size and intrusiveness of the federal government, and a sense that, over the decades, states have inappropriately permitted their rights and responsibilities to be eroded. Within the past decade, there has been a countertrend in the federal government to assign greater responsibility to the states for the development of social services priorities and standards. (Only the most brave, however, have suggested an increase in state responsibility for generating, as well as spending, revenues.) It is asserted that the state governments are closer and more sensitive than the federal government to the needs of their citizens, and that state governments are therefore more likely to allocate funds appropriately. Revenue-sharing with the states is an example of this trend. Title XX is another example. Recent efforts to "de-regulate" activities which

the government has been regulating also fit into this general pattern. This trend forms an important part of the context for discussion about changes in the FIDCR and possible state roles in regulating day care.

With regard to day care regulation, there are arguments both for and against an increased state role. Some of these arguments <u>against</u> an increased state role are as follows.

- It is argued that state officials are highly influenced by local political pressures and are thus, in many instances, likely to compromise the rights and legitimate interests of children. It is argued that federal officials, on the other hand, are more likely to implement a national policy which is fair and equitable across different regions of the country.
- It is argued that state officials lack the specialized knowledge and skills needed to implement and maintain standards. It is argued that state officials do not have the professional perspective needed as a context for day care policy decisions regarding standards.
- It is argued further that state government will not give sufficient priority to regulation, as has consistently been the case with licensing regulations.
- Finally, it is argued that the level of government which has taken responsibility for generating revenue should also be responsible for determining the purposes and standards for the disbursement of that revenue.

There are counter arguments. The main arguments <u>for</u> increased state role in the development of federal day care regulations are:

- It is argued that a single day care standard is inappropriate for the entire nation. Regional differences in social and economic conditions should be taken into account, according to this argument, so long as they do not violate basic rights of children and their families.
- It is argued that those who are regulated should participate in the development of standards. Since the standards are not, and can never be, based primarily on factual or scientific information, they should reflect the priorities

and values of the participants. If there is to be any hope of meaningful compliance with the standard, according to this argument, it has to be understood and accepted by those who participate in and are affected by the standard. It can be argued that meaningful participation of this sort is possible only at state and local levels and not at the federal level.

- It is argued that direct federal monitoring of day care standards is not financially or administratively feasible. If the states are to be responsible for implementing and monitoring standards, the standards are much more likely to be effectively implemented if the state and local people implementing them have been involved in their development.
- Finally, it is argued that the development of certification standards by the states would increase the probability of an integrated state day care program which could merge state and federal purchasing standards, facilitate programs which would involve different economic and social classes, and upgrade the quality of state regulatory services.

It is difficult to assess these arguments; neither set, pro or con, seems conclusive. It seems likely that either system could work well, given adequate resources. The policies which are finally established will be greatly influenced by other factors such as overall economic conditions, welfare policies and the unemployment rate, all of which will have a direct effect upon the size of federal day care appropriations and the strength of the Congressional commitment to implement FIDCR.

F. Education, the Schools and Day Care

Educators—administrators, classroom teachers and their representatives—have recently shown an increasing interest in the area of early childhood education and day care. The reasons for this increasing involvement are many, complex, and beyond the scope of this paper. It is important to note, however, that many schools throughout the country are developing early childhood education programs which provide care and education for three and four year

olds. Some schools have initiated programs which include infants.

The relevance of this development to federal day care regulation is that day care standards are not now applied to public schools and are not likely to be applied in the foreseeable future. Thus, to the extent that day care programs are developed within school systems, they will fall outside of the regulatory process which affects private day care programs.

Since the staff/child ratios in elementary schools are consistently between 1 to 20 and 1 to 30, the contrast between these ratios and those of day care centers for children of the same age is striking. There are, of course, similar differences in cost per child. The temptations and pressures will be great in the next few years for the federal government to move Head Start and day care programs into the overall framework of education.

Whether or not it is desirable for schools to become increasingly involved in providing education and other services to very young children and their families is a hotly debated matter; there is no clear national trend at this time. However, the outcome of that debate will have substantial impact upon federal day care regulations and upon the nature and cost of day care.

III. CERTIFICATION STANDARDS: POSSIBILITIES AND PROBLEMS

This section describes how a state certification system could work if it were adopted by the federal government. It examines possible procedures for developing certification standards, possible content for those standards, and possible ways of implementing them.

In this paper, certification standards refer to the standards developed by each state, according to federal guidelines, which apply to all federally supported day care in that state. Licensing standards refer to standards developed by the state which apply to all organized day care in the state whether or not federal funds are involved.

A. Possible Procedures for Establishing Certification Standards

Each state would be required to develop its own standards for federally-supported day care, following federal guidelines. The guidelines would specify federal day care goals and establish some elements of the process that states would be required to use in developing certification standards. The following are some of the elements which could be addressed in the guidelines.

1. Federal Day Care Goals

One part of the process of turning over to the states responsibility for establishing appropriate certification standards is the development and articulation of federal day care goals. These goals should be consistent with the amount of federal monies available for day care.

Presumably the federal guidelines would permit a range of goals to be adopted by the states. For example, federal guidelines could state that the purposes of programs with federal support could range from compensatory day care,

designed to make up for the "missing elements" in the lives of deprived children, to day care designed to provide an acceptable temporary substitute for parental care which enables the parent(s) to be employed while enabling the child each day to have "a day's worth of growth." Such a goal statement would enable states to develop their own priorities within the context of federal goals.

2. Interest Participation

Federal guidelines would require meaningful participation in the development of certification standards on the part of representatives from those groups that are most affected by the standards. Five groups could be represented in the task force responsible for developing certification standards:

- Parent/consumers of federally supported day care;
- Public and private providers of federally supported day care, including staff employees as well as directors;
- Child development specialists and children's advocates;
- State officials responsible for day care licensing policy, including licensing staff;
- State legislators with responsibility for day care policy and financing.

Parent/consumers of federally supported day care. The rationale for involving parent/consumers is that their interests are directly affected by the standards, and they should therefore participate in developing them. In their initial involvement in such processes, parents tend to know little about the formal regulatory process and often feel they have little to contribute. It is common for parents to drop out of the process of developing standards, and it is not easy to keep them meaningfully involved. It is important, however,

to establish a process that will enable parents to participate meaningfully in the regulatory process. They provide a reality test for the standards which otherwise may be lacking and they are the adults most directly affected by the standards.

Providers of federally supported day care. Providers are highly motivated to be involved in the setting of standards. Their livelihood is greatly affected by the standards, and they are often highly sophisticated about the issues involved. They are also often politically active and able to bring legislative pressures to bear on the process of developing standards. Yet there is no uniform stance which can be expected from providers of care. Some providers are deeply concerned about establishing as "high" a standard of day care as possible in spite of the cost implications. Other providers consistently react to issues in terms of their cost implications and argue for minimizing costs. Providers are often the most influential pressure group in the development of standards.

There are at least four different kinds of day care center programs, each of which tends to have a different perspective on regulations:

- The "Mom and Pop" center;
- The non-profit program which is fully, or nearly fully funded;
- The proprietary program, which may have few or no federally eligible clients;
- The private, charitable agency, which may have some public funds.

Federal standards will not affect these types of programs in the same manner, and it is important to select participants in the standards development process who are representative of each.

Day care workers who work directly with children have a different perspective from directors; their involvement can

be quite helpful. They are highly conscious of classroom conditions and the effects of standards on the kind and amount of staff/child interactions and responsibilities. Day care workers also introduce important considerations concerning working conditions such as the common 10-hour day for full-day day care, the need for breaks, and the effects these have on ratios as well as on the quality of care provided.

Child development specialists. Child development specialists bring to the discussion of standards specialized information relevant to young children which might not otherwise be available. They tend to contribute a developmental perspective to the issue of standards which often underemphasizes issues of cost and feasibility.

State officials responsible for licensing. These officials have a knowledge of the day-to-day problems of implementing regulations. This knowledge is invaluable. They can often tell what problems will arise from attempting to put an apparently good idea into practice. For example, a really "fair" definition of staff/child ratio might include both the average staff/child contact hours per week and a minimum staff/child ratio. A licensing officer can provide useful insights into the feasibility of using such a combined standard. Since licensing staff normally carry excessive work loads, they may resist changes which make the monitoring process more difficult to accomplish.

State legislators. Day care is a political issue. Legislative involvement and support is essential for an effective state-level day care policy to be developed and implemented. Too often, legislators are brought into the planning process after all the decisions have been made.

They often resent the fact that they are given limited opportunity to influence the development of such policies, especially if these involve significant increases in cost. If they are carefully chosen, legislators can be a strong asset to the development of standards. They are sensitive to public priorities, and can be helpful in obtaining state-level support for implementing the policies which are developed.

3. Administrative Accountability

A state official could be designated as responsible for the development and implementation of the certification standards. While the task force process described above could be used as the primary forum for the discussion of issues related to certification standards, the final responsibility for the promulgation of standards would be with the state administrator responsible for day care licensing standards.

There are several reasons for recommending the direct involvement of state licensing staff in the certification process. First, as already mentioned, they possess knowledge which can be useful in the development of standards. Second, they are the appropriate group to implement the standard, since they already are responsible for the development and monitoring of licensing and for monitoring the FIDCR. Third, the certification process described here could have the effect of increasing the skills and effectiveness, as well as the size, of the staff responsible for monitoring state and federal standards.

4. Open Process

The development of standards should be an open, public process. This is in many ways cumbersome, requiring patience and skill; but once accomplished, the resultant standards would have broad public support and would be far more likely than otherwise to be implemented.

Hearings could be held throughout the state in order to ensure broad public discussion and public participation in the development of the standards. The Task Force would review the results of hearings and incorporate those reactions into its recommendations.

5. Dissemination of Standards

The standards which are finally developed, together with a rationale for them, should be broadly disseminated throughout the state. Copies of the standards would be available free or at a nominal cost so that the general public would know what certification standards had been adopted and why.

6. Periodic Review

At least once every four years the certification standards would be formally reviewed and, as needed, revised by a duly constituted task force. Such a review should include formal, state-wide, public hearings on the standards and a review of the implementation of the existing standards and problems associated with them.

B. Content of Certification Standards

Guidelines would be provided which indicate what elements are required in the certification standards.

1. State Day Care Goals

Each state would be required to develop a day care goals statement including state policy concerning the use of federal day care funds consistent with federal day care policy.

2. Specific Standards

In addition, policy would be established by the state for each component specified in the guidelines as having impact on the quality of day care services. A tentative list of some possible components includes:

- health and safety requirements;
- staff numbers, ratios, ent y-skill levels;
- in-service training of staff;
- parent involvement;
- parent education;
- protection of ethnic/cultural diversity;
- protection of civil rights;
- self-evaluation procedures and schedules;
- record keeping and the right to privacy.

Standards would be expected to vary somewhat from state to state and would change over time as social priorities, economic conditions and public policies change. For example, a state with a large pool of highly trained day care workers might specify a high degree of training; a rural state with a small potential pool of trained personnel might specify somewhat lower educational requirements but compensate with better child/staff ratios.

3. Federal Approval

Certification standards developed by a state would be

subject to federal review and approval. Teams appointed by HEW, including officials from other states, could be involved in reviewing and approving the standards, or making recommendations to the Secretary of HEW. The certification standards would be acceptable provided they were consistent with overall federal policy and there was evidence of having complied with the guidelines, including evidence of reasonable support—by those groups whose interests are involved—for the priorities and standards developed by the state.

4. Minimum Standards

A major policy issue concerning certification standards is whether minimum standards should be established in the guidelines. There are strong arguments both for and against minimum standards.

It seems possible that, without a federal minimum for certain day care program characteristics, such as staff/child ratios, some states would adopt certification standards which would be substantially the same as their licensing standards. Whether or not this were appropriate would depend upon federal day care goals. If federal policy were to include the option of expanding day care as much as possible without causing immediate direct harm to the children involved, such a standard might be appropriate.

Other states might develop a certification standard which would serve as a purchase-of-services standard different from licensing standards. They might merge their state and federal purchase-of-service standards, simplifying and integrating state and federal funding policies.

The main argument against a set of federal minimum stan-

dards for day care programs is that the "floor" may also function as a "ceiling." Given the overall costs of quality day care, a federal minimum on staff/child ratios, for example, would probably be used in many states to argue the minimum as adequate. Thus, if a minimum staff/child ratio were 1:10, for three and four year olds, there would be strong pressure in many states to use that ratio. Without such a federally endorsed minimum, each state would need to argue standards more on their merits, using the opinions of their own parents, providers, child development specialists, and legislators, just as they often now do in setting licensing standards.

A further concern regarding the specification of federal minimum standards is the tendency to focus on staff/child ratios as the ultimate indicator of quality day care. The National Day Care Study will shed some useful light on this subject, but it is important that staff/child ratios do not obscure other indicators of quality such as staff/parent involvement, staff morale and turnover rate, and program design.

One possible solution to the problem of minimum standards is to promulgate both a <u>minimum</u> and a <u>model</u> standard in the guidelines. The HEW licensing guidelines could be used as a minimum standard. This would ensure that those states with licensing standards below the federal guides would meet at least that level. The Guides were developed with considerable care and represent a broad sense of what standards are appropriate for state licensing. It would be important to make clear that these were minimum and not optimum standards. The FIDCR, or an appropriate revision of FIDCR, could be established as a model standard. In practical terms, that is

how the FIDCR have functioned to date. FIDCR could be used by states as a measure of excellence. Such a pair of standards, carefully explained, could help state task forces understand the range of options within which they could be expected to vary. It might possibly reduce some of the danger that a minimum standard would become a ceiling.

5. Family Day Care Standards

More day care is provided in family day care homes than in centers. In 1970 in Massachusetts, for example, fifteen percent of three year olds were regularly cared for in someone else's home whereas only five percent were cared for in a center-based program.[1]

Despite the widespread use of homes for day care, relatively little attention has been given to the effectiveness and appropriateness of family day care. Some argue that family day care is a better model than center-based care for young children. It is similar to the home setting of the child's own family; it is likely to be physically near the child's home so that less travel is involved; and it often appears to cost less. The latter seems to be due primarily to the lower wages earned by the family day care mothers.

On the other side, others argue that the training and effectiveness of family day care mothers are far below that of day care center staff, that centers can provide a more comprehensive set of services and activities to meet each child's needs, that the social experiences in centers are good for children, and that overall the child benefits more from center care.

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[1] Rowe, R. R., Child Care in Massachusetts: The Public Responsibility. Boston: Massachusetts Advisory Council on Education, 1972.

No matter how the center vs. home debate turns out, the widespread use of family day care and its apparent appropriateness in some cases convince us that federal funds should be available for family day care. In that case there would have to be some standards for such programs.

One system used by some states in their licensing is a registration procedure with a set of family day care standards. Registration involves self-reported information about the family day care home and self-certification of compliance with the required standards. Enforcement is then carried out on the basis of consumer complaints of non-compliance. It is a reactive system of monitoring, but it appears to control major abuses at a reasonable cost.

Another system involves the licensing of family day care systems: that is, groups of family day care homes with a central administrative and support unit. Such systems care for many children and may include one or more licensed day care centers as well as family day care homes. It is less costly to certify such systems than to certify individual homes.

States could be given the option of registration for homes or certification of family day care systems, or both. Federal guidelines for developing these two types of regulations would have to be prepared.

C. Implementation of Certification Standards

Federal guidelines would specify minimum standards for effective state implementation and monitoring of the certification standards. Unlike the certification standards themselves, which would be determined by the states within federal guidelines, the implementation minimum requirements would be established by the

federal government. Federal funds would be made available for the cost of such monitoring. Federal monitoring standards would be brief and limited to those items considered essential, such as the following:

1. Staff

Federal standards would be established for the number and qualifications of staff who monitor federally supported day care programs. The guidelines would include minimum ratios of staff to programs monitored and qualifications of staff. The ratios and qualifications should be realistic and enforced.

It is expected that in most states the monitoring staff and the state licensing staff would work closely together. They could be the same persons. It would be cost effective for monitoring staff to also be responsible for licensing those centers which they are certifying. In like manner, a program which did not meet certification standards might still be licensable.

In the event a state chose to merge licensing and certification functions in one office, it would be essential to keep records which would support the state's claims for staff time spent in monitoring activities.

Because the qualifications of the monitoring staff would be set by federal standards, this would, in many states, result in the upgrading of the monitoring/licensing staff. Technical assistance and training in support of the certification standards would also then have a beneficial effect upon the entire day care licensing process.

2. Program Support

Each state would be required to provide monitoring and

support to day care programs that includes:

- regular monitoring visits and policies covering the conditions which require additional visits;
- a formal procedure for denial of certification, and an appeal process coordinated with the funding agency;
- sanctions for non-compliance which are realistic and applied;
- a rate-setting and cost analysis system.

Federal funds would be available for such program support, with the total amount a function of the number of children in federally-supported day care.

3. Program Audit System and Record Maintenance

Each state would be required to have an audit system involving both financial and programmatic reviews--regular reviews of both the financial and programmatic aspects of federally supported child care in the state. We envision a team which would conduct intensive and comprehensive audits of programs on a fixed schedule, with additional audits of those programs which are marginal or which fail to meet the standards.

A uniform set of date files would be maintained by the appropriate state agency responsible for implementation of the certification standards. This data base could include such items as:

- the number of children supported by federal programs;
- the income levels and employment status of families served;
- a record of program audits conducted;
- the number and case load of the monitoring staff;
- the total federal dollars involved in day care;
- the total cost of monitoring federally-supported day care.

These data would be compiled quarterly. Since all states would use a common format, the data could easily be compiled into a federal data base.

4. Federal Support

Federal funds would be made available to support the cost to the states of such federally required monitoring and record maintenance. The federal government would, presumably, normally contract with the appropriate state agency for the monitoring but should maintain the option of contracting for this monitoring service with a non-governmental or quasi-governmental agency. The mechanism of a federal contract for monitoring would give the government some flexibility from year to year over the content of the monitoring. It would also provide some incentive for the state monitoring agency to do a good job.

D. The Federal Role

1. Day Care Policy and Funding

The first responsibility of the federal government would be to establish an explicit day care policy, integrated with federal funds necessary for the support of that policy.

2. Financial Support of Certification Process

Both financial and technical support for the development and implementation of certification standards would be made available to the states by the federal government. There should be an explicit effort to share expertise among the states; federal funds should be available to support such inter-state technical assistance.

3. Federal Monitoring

HEW-appointed review teams would have the primary

responsibility for reviewing and approving proposed state certification standards, and for monitoring their implementation. The review and monitoring process would involve program audit teams made up of a combination of federal officials, day care officials from other states, and day care specialists.

Each state would be audited in depth once every four years, with more frequent supplementary audits for those states with special problems. The team could assess:

- the state certification standards and determine whether or not they meet federal guidelines;
- the qualifications and effectiveness of the monitoring staff;
- the implementation of the state's certification standards;
- the adequacy of required federal day care records;
- the use of federal funds for day care, including a fiscal audit;
- the satisfaction of the children, parents, and staff involved in federally supported day care;
- the overall impact of federal support in achieving the day care policy and goals of the state.

We estimate state audits might require an average of eight weeks for a four-member team.

IV. COSTS

It is beyond the scope of this effort to do more than provide a framework for estimating the costs of the state certification procedures discussed here. Without more investigation, it is impossible to provide accurate cost estimates.

A. The Cost of Day Care

The major element in the cost of day care is the cost of staff. More than anything else, the cost implications of the staff/child ratios in the FIDCR have prevented the FIDCR from being implemented. Likewise, much of the interest in alternatives to FIDCR is based on the desire to reduce the cost, meaning the staff/child ratio, in federally supported programs. There are honest differences of opinion about the impact of such reductions upon the quality of care.

It is impossible to know what the effects would be on the unit cost of day care under a state certification plan. It seems reasonable to expect that most states would not adopt standards which would greatly increase the per child cost of day care unless there was additional funding. Even with additional funding, it seems likely that, with some exceptions, states would use most of the additional funds to expand services rather than significantly increase the standards which are currently in operation. Thus, state certification, without additional federal support, would probably result in substantially the same cost per child that is now experienced with federal funds.

B. Cost of Developing Certification Standards

Only broad estimates of the direct and indirect costs of developing certification standards can be made. On the basis of experience in developing licensing standards, it seems reasonable

to expect that the process would require about one year. Much of the effort involved in developing the standards would be non-monitized, volunteer contributions or time taken from some other activity. Considering the time of state employees as direct costs and all other time as contributions, it seems reasonable to assume that the direct costs of developing certification standards, including meetings, hearings, staff time, distribution of drafts and so forth, should not exceed an average of $50,000 per state. The indirect and hidden costs would, of course, be much more. Yet the benefits should include: increasing public awareness, increasing staff sensitivity to public priorities, and increasing probability of a more coordinated and cost effective state program for day care.

C. Cost of Monitoring and Compliance with State Certification Standards

It seems reasonable to assume that many states would combine monitoring of certification standards and licensing. Thus, the incremental costs of monitoring would be lower than the cost of a totally separate system. In most states the federal standards for monitors would require further training and upgrading of staff. We estimate the average cost of such training would be $50,000 per state. This would be a one-time expense. We further assume that in-service training would be built into the normal operational budget of the state. We also assume that the average incremental cost of federal monitoring would be approximately $200,000 per state, or a total national incremental cost of $10 million. It should be emphasized that these are rough estimates requiring further refinement.

D. Cost of Federal Monitoring

We assume that existing HEW staff would be recruited

to be responsible for administering the federal monitoring of states. Using the program audit model described above, each state would have a federal day care audit once every four years. Using four-person teams, it would require approximately 400 person-weeks per year to accomplish this. For costing purposes we assume one out of four states would require a supplementary audit within the four-year period. Assuming therefore 10 Full Time Equivalents at $50,000 per Full Time Equivalent, the total cost of the federal monitoring process should be in the neighborhood of $500,000 per year.

As with the other levels of this system, there would be hidden costs such as the time state officials would spend with the audit team and the cost of maintaining the records required by the federal standards. There would also be additional benefits such as greater interstate contact and overall increase in the fiscal and programmatic accountability of the state day care program.

Thus, our rough estimate of the initial and continuing incremental federal cost of the certification system would be:

	Estimated Annual Costs (In Millions)	
	Initial Year	Continuing Years
Development of Standards	2.5	-
Staff Training	2.5	1.0
State Monitoring	10.0	10.0
Federal Monitoring	.5	.5
	15.5	11.5

It should be noted that in order for the FIDCR to be adequately enforced some kind of federal-state training and monitoring system would be required. Such a system would in all likelihood cost no less than the system described above.

Thus the incremental cost of the state certification system described here, as compared with an adequate FIDCR system, would be the $2.5 million cost of developing certification standards.

V. SUMMARY

State certification of federally supported day care, based on federal guidelines, seems technically feasible and not prohibitively expensive. It would be an improvement over our current system.

The FIDCR represent a federal policy of providing high quality day care to poor children. As defined by FIDCR, such care is expensive. State certification along the lines discussed in this paper would probably lead to standards which, on the average, require less cost per child than the FIDCR require. It seems unlikely, though, that the actual cost per child which federal funds are currently supporting would be reduced. State certification would probably tend to legitimize the kind of care that federal funds are now purchasing. In some states the standards might be improved. In a few states the standards might be relaxed in order to expand the number of children in day care. In no case would it be expected to reduce significantly the quality of care currently purchased with federal funds.

The system of state certification which has been discussed here would involve the federal government more closely with state day care systems than it now is and would require a modest increase in federal support for state monitoring of day care. Such involvement would probably have a generalized positive effect upon the total state day care program through the upgrading of staff, the development of explicit public priorities and standards for federally supported day care, and the careful monitoring of the implication of those standards. Such an increased involvement would also be required in order for the FIDCR to be implemented adequately by the states.

The major problem with a state certification system as a replacement for FIDCR is that it would be seen by many as a retreat from a previous federal policy of insisting upon uniform high standards for day care which are independent of the political and social inclinations of individual states. It would be seen by many as a denial, possibly an unconstitutional denial, of the equal rights of each child for an optimal environment in which to grow. These are serious charges which should not be ignored.

The major response to these charges is that, given the current level of federal funds, and, even with a significant increase in federal funds, the cost implications of the FIDCR staff/child ratio serve to limit the availability of day care to a small percentage of the poor children who need good day care. Not only would many poor children effectively be excluded by the serious implementation of FIDCR, but application of standards would tend to prevent federal day care support for children of the working poor whose parents need subsidized day care in their attempt to move out of poverty and dependence upon the government.

The issues are complex. No matter how they are resolved, however, increased federal funding for family support, including day care and child development programs, is necessary in order for the poor and near-poor children of this nation to have the care they need. We must not let differences over the issue of standards become divisive, and divert attention and energy from the overriding need for expanded federal support for poor and near-poor families with children.

NOTE TO THE READER:

The interpretations and conclusions expressed in this paper are the author's and are not intended to represent the position or policy of the Department of Health, Education and Welfare.

It is being distributed to solicit comments and criticisms to assure technical soundness, the adequacy of supporting materials, relevance, and general comprehensibility. It is hoped that this paper and its review will contribute to the improvement of the public debate on social policy and the proper Federal role in regulating child day care.

Comments may be addressed to:

William R. Prosser
Department of Health, Education and Welfare
OS/ASPE/SSHD - 416E South Portal Building
200 Independence Avenue, S. W.
Washington, D. C. 20201